THE HON'BLE Ms. JUSTICE G.ROHINI

WRIT PETITION NO: 10525 of 2005

Dated: 01-08-2006

Between:

E.Govinda Goud and three others.

..... PETITIONER

AND

State Bank of India,
Rep., by its Branch Manager,
Atmakur Branch, Kurnool District.

.....RESPONDENTS

THE HON'BLE Ms. JUSTICE G.ROHINI

WRIT PETITION NO: 10525 of 2005

O R D E R:

This writ petition is filed seeking a declaration that the action of the respondent-Bank in not considering the representation of the petitioners for waiver of interest and re-schedulement of loan amount is arbitrary and illegal.

On behalf of the respondent-Bank a counter affidavit has been filed stating that the respondent-Bank has filed three suits before the Court of the Senior Civil Judge, Atmakur for recovery of the amounts due from the petitioners in which the trial was completed on 02-02-2005. At that stage, on a request made by the petitioners herein, the suits were referred to Lok Adalat which expressed that as per the norms of the respondent-Bank, the interest portion would be deducted if the petitioners are ready to pay the settlement amount at a time within one month. However, the petitioners insisted deduction of the entire interest and they also sought for re-schedulement of the remaining amount. The respondent-Bank did not agree for the said proposal. Hence, the relief sought in this writ petition is misconceived and cannot be granted.

Heard both sides.

It is to be noted that during the pendency of this writ petition, this Court by order dated 27-01-2006 directed the respondent-Bank to submit a proposal as to what extent the

interest can be waived. In compliance with the said directions, the respondent-Bank by letter dated 10-04-2006 informed the petitioners that it is ready and willing to waive the interest to the extent of Rs.50,000/-. A copy of the said letter has been placed before this Court.

Keeping in view that the civil suits are pending and the respondent-Bank has come forward with a proposal to waive the interest to the extent of Rs.50,000/-, I deem it appropriate to dispose of the writ petition granting liberty to the petitioners to submit their proposal for one time settlement before the respondent-Bank within a period of four weeks from today. If any such proposal is submitted, the respondent shall consider the same and the acceptance or otherwise shall be communicated to the petitioners. It is made clear that in case the petitioners fail to come forward with the proposal for one time settlement within the time specified above, it is open to the respondent-Bank to proceed with the civil suits which are pending on the file of the Senior Civil Judge, Atmakur.

Accordingly, the writ petition is disposed of. No costs.

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G. ROHINI, J

Dated: 01-08-2006
KLP